

SERFF Tracking Number:	MADC-125765839	State:	Arkansas
Filing Company:	Redland Insurance Company	State Tracking Number:	EFT \$100
Company Tracking Number:	RIC-AR-2008-006		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	Workers Compensation Program		
Project Name/Number:	LCM Revision - Logging/RIC-AR-2008-006		

## Filing at a Glance

Company: Redland Insurance Company

Product Name: Workers Compensation Program

TOI: 16.0 Workers Compensation

Sub-TOI: 16.0004 Standard WC

Filing Type: Rate

SERFF Tr Num: MADC-125765839 State: Arkansas

SERFF Status: Closed

Co Tr Num: RIC-AR-2008-006

Co Status:

Authors: Tina Knight, Margaret Lovejoy

Date Submitted: 08/07/2008

State Tr Num: EFT \$100

State Status: Fees verified and received

Reviewer(s): Betty Montesi, Carol Stiffler

Disposition Date: 08/07/2008

Disposition Status: Approved

Effective Date Requested (New): 09/15/2008

Effective Date Requested (Renewal): 09/15/2008

Effective Date (New): 09/15/2008

Effective Date (Renewal):

State Filing Description:

## General Information

Project Name: LCM Revision - Logging

Project Number: RIC-AR-2008-006

Reference Organization:

Reference Title:

Filing Status Changed: 08/07/2008

State Status Changed: 08/07/2008

Corresponding Filing Tracking Number:

Filing Description:

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

The purpose of this filing is to revise the Company's loss cost multiplier. The Company will be targeting a book of business previously written by Capital City Insurance Company. The targeted risks will be mainly logging/forestry business and based on a review of the data for the previous program, the Company would like to revise their current loss cost multiplier of 1.61 to 1.400.

<i>SERFF Tracking Number:</i>	<i>MADC-125765839</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Redland Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>RIC-AR-2008-006</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation Program</i>		
<i>Project Name/Number:</i>	<i>LCM Revision - Logging/RIC-AR-2008-006</i>		

The overall estimated rate impact of this filing is -13%. The premium impact is 0.0% as there is currently no new or renewal business being written in Arkansas on Redland paper. We believe that the 1.40 is very close to the rate level that the program was previously written at and that this loss cost multiplier will produce rates that are adequate and not excessive.

We request an effective date of September 15, 2008.

## Company and Contact

### Filing Contact Information

(This filing was made by a third party - madisonconsultinggroup)

Tina Knight, Analyst	tina@madisoninc.com
200 North 2nd Street	(706) 342-7750 [Phone]
Madison, GA 30650	(706) 342-7775[FAX]

### Filing Company Information

Redland Insurance Company	CoCode: 37303	State of Domicile: New Jersey
QBE the Americas	Group Code:	Company Type: Property & Casualty
Wall Street Plaza		
New York, NY 10005	Group Name:	State ID Number:
(212) 422-1212 ext. [Phone]	FEIN Number: 42-1113749	
	-----	

## Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Redland Insurance Company	\$100.00	08/07/2008	21836101

SERFF Tracking Number:	MADC-125765839	State:	Arkansas
Filing Company:	Redland Insurance Company	State Tracking Number:	EFT \$100
Company Tracking Number:	RIC-AR-2008-006		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	Workers Compensation Program		
Project Name/Number:	LCM Revision - Logging/RIC-AR-2008-006		

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	08/07/2008	08/07/2008
Objection Letters and Response Letters			

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Carol Stiffler	08/07/2008	08/07/2008	Margaret Lovejoy	08/07/2008	08/07/2008
Industry						
Response						

<i>SERFF Tracking Number:</i>	<i>MADC-125765839</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Redland Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>RIC-AR-2008-006</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation Program</i>		
<i>Project Name/Number:</i>	<i>LCM Revision - Logging/RIC-AR-2008-006</i>		

## Disposition

Disposition Date: 08/07/2008  
 Effective Date (New): 09/15/2008  
 Effective Date (Renewal):  
 Status: Approved  
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Redland Insurance Company	-13.000%	\$0	0	\$0	%	%	-13.000%

SERFF Tracking Number:	MADC-125765839	State:	Arkansas
Filing Company:	Redland Insurance Company	State Tracking Number:	EFT \$100
Company Tracking Number:	RIC-AR-2008-006		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	Workers Compensation Program		
Project Name/Number:	LCM Revision - Logging/RIC-AR-2008-006		

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Filing Memo	Approved	Yes
Supporting Document	Filing Exhibits	Approved	Yes
Supporting Document	Authorization Letter	Approved	Yes
Rate	Small Deductible	Approved	Yes
Rate	Retrospective rating Values	Approved	Yes
Rate	Rate Pages	Approved	Yes

SERFF Tracking Number:	MADC-125765839	State:	Arkansas
Filing Company:	Redland Insurance Company	State Tracking Number:	EFT \$100
Company Tracking Number:	RIC-AR-2008-006		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	Workers Compensation Program		
Project Name/Number:	LCM Revision - Logging/RIC-AR-2008-006		

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/07/2008
Submitted Date	08/07/2008
Respond By Date	

Dear Tina Knight,

This will acknowledge receipt of the captioned filing.

This filing adopts Reference Number AR-2008-06. We have not approved any NCCI Item Filing with that number. It is possible that the number given in the filing is a circular number which is often different than the Item Filing number. The Item Filing number is the unique number that identifies the filing. We do not see the circulars. Several circulars may refer to the same Item Filing. One circular may refer to many item filings. The Item Filing number can be found in the body of the circular. The Item Filing number for the 7/1/08 loss costs is AR-2008-02. Please confirm that is the Item Filing you are adopting.

Please feel free to contact me if you have questions.

Sincerely,  
Carol Stiffler

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/07/2008
Submitted Date	08/07/2008

Dear Carol Stiffler,

### Comments:

### Response 1

Comments: AR-2008-06 is the Approval Circular for 7/1/08 loss costs. The initial circular is AR-2008-02 for 7/1/08 loss costs. You are correct. Sorry for any confusion. Please let me know if there is anything else that needs to be done.

Thank you,  
Margie

<i>SERFF Tracking Number:</i>	<i>MADC-125765839</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Redland Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>RIC-AR-2008-006</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation Program</i>		
<i>Project Name/Number:</i>	<i>LCM Revision - Logging/RIC-AR-2008-006</i>		

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,  
Margaret Lovejoy, Tina Knight

<i>SERFF Tracking Number:</i>	<i>MADC-125765839</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Redland Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>RIC-AR-2008-006</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation Program</i>		
<i>Project Name/Number:</i>	<i>LCM Revision - Logging/RIC-AR-2008-006</i>		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	Prior Approval
<b>Rate Change Type:</b>	Decrease
<b>Overall Percentage of Last Rate Revision:</b>	-12.800%
<b>Effective Date of Last Rate Revision:</b>	07/01/2008
<b>Filing Method of Last Filing:</b>	Prior Approval

## Company Rate Information

<b>Company Name:</b>	<b>Overall % Indicated Change:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b># of Policy Holders Affected for this Program:</b>	<b>Premium:</b>	<b>Maximum % Change (where required):</b>	<b>Minimum % Change (where required):</b>
Redland Insurance Company	-13.000%	-13.000%	\$0	0	\$0	%	%



<i>SERFF Tracking Number:</i>	<i>MADC-125765839</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Redland Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>RIC-AR-2008-006</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation Program</i>		
<i>Project Name/Number:</i>	<i>LCM Revision - Logging/RIC-AR-2008-006</i>		

## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Approved	Small Deductible	1	Replacement	Small Ded.PDF
Approved	Retrospective rating Values	1 - 2	Replacement	Retro.PDF
Approved	Rate Pages	1 - 9	Replacement	Rate Pages.PDF

# Redland Insurance Company

## SMALL DEDUCTIBLE PROGRAM

### ARKANSAS

		Hazard Group													
		A		B		C		D		E		F		G	
		Premium Reduction Percentages													
Total Losses	\$ 1,000	7.4	%	5.9	%	5.1	%	4.3	%	3.5	%	2.5	%	1.8	%
Applicable by deductible amount	1,500	9.1		7.3		6.3		5.3		4.5		3.1		2.3	
and hazard group on a per claim basis	2,000	10.4		8.4		7.2		6.2		5.2		3.7		2.8	
	2,500	11.6		9.3		8.1		6.9		5.8		4.3		3.2	
	3,000	12.5		10.2		8.8		7.5		6.5		4.7		3.5	
	3,500	13.3		10.9		9.5		8.2		7.0		5.2		3.9	
	4,000	14.2		11.7		10.2		8.8		7.5		5.5		4.3	
	4,500	14.9		12.3		10.8		9.3		8.1		5.9		4.6	
	5,000	15.7		12.9		11.3		9.9		8.5		6.4		4.8	

		Hazard Group													
		A	B		C	D		E	F		G				
		Premium Reduction Percentages													
Medical Losses	\$ 1,000	7.2	%	5.8	%	4.9	%	4.0	%	3.4	%	2.3	%	1.7	%
Applicable by deductible amount	1,500	8.7		7.0		5.9		5.1		4.3		3.0		2.2	
and hazard group on a per claim basis	2,000	9.8		8.0		6.8		5.7		4.9		3.4		2.6	
	2,500	10.7		8.7		7.5		6.4		5.4		3.8		2.9	
	3,000	11.6		9.4		8.2		6.9		5.8		4.1		3.2	
	3,500	12.2		10.0		8.7		7.4		6.3		4.6		3.4	
	4,000	12.8		10.5		9.1		7.8		6.7		4.9		3.7	
	4,500	13.5		11.0		9.6		8.3		7.0		5.2		3.9	
	5,000	14.0		11.6		10.0		8.7		7.4		5.4		4.1	

		Hazard Group													
		A	B		C	D		E	F		G				
		Premium Reduction Percentages													
Indemnity Losses	\$ 1,000	1.6	%	1.2	%	1.1	%	1.1	%	1.0	%	0.8	%	0.5	%
Applicable by deductible amount	1,500	2.1		1.7		1.6		1.4		1.3		1.1		0.9	
and hazard group on a per claim basis	2,000	2.7		2.1		1.9		1.8		1.6		1.3		1.1	
	2,500	3.1		2.6		2.3		2.2		1.9		1.6		1.2	
	3,000	3.5		2.9		2.7		2.5		2.2		1.8		1.4	
	3,500	3.9		3.2		3.0		2.8		2.5		2.0		1.6	
	4,000	4.3		3.5		3.3		3.1		2.7		2.3		1.7	
	4,500	4.7		3.8		3.5		3.3		3.0		2.5		1.9	
	5,000	5.0		4.1		3.8		3.5		3.2		2.7		2.0	

Note: If the desired deductible is not shown but is less than the highest limit shown, calculate the credit for the desired limit by interpolating between the nearest amounts shown.

## REDLAND INSURANCE COMPANY

RETROSPECTIVE RATING PLAN MANUAL  
STATE SPECIAL RATING VALUES

STATE: ARKANSAS

EFFECTIVE DATE: September 15, 2008

1. **Hazard Group Differentials**

A	B	C	D	E	F	G
1.890	1.420	1.260	1.130	0.980	0.790	0.590

3. **Expected Loss Ratio**

0.540
-------

5. **Table of Expected Loss Ranges**

Table of Expected Loss Ranges-Effective 1/1/08

6. **Excess Loss Factors**  
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$ 10,000	0.331	0.361	0.377	0.393	0.408	0.430	0.442
15,000	0.298	0.330	0.349	0.366	0.384	0.410	0.427
20,000	0.273	0.306	0.326	0.344	0.364	0.393	0.413
25,000	0.252	0.286	0.307	0.325	0.347	0.377	0.402
30,000	0.234	0.268	0.290	0.309	0.332	0.364	0.391
35,000	0.219	0.253	0.275	0.295	0.307	0.352	0.381
40,000	0.206	0.240	0.262	0.282	0.286	0.341	0.372
50,000	0.185	0.218	0.240	0.260	0.246	0.321	0.356
75,000	0.149	0.178	0.200	0.220	0.218	0.283	0.323
100,000	0.126	0.152	0.174	0.192	0.197	0.255	0.298
125,000	0.110	0.133	0.154	0.172	0.180	0.233	0.278
150,000	0.099	0.120	0.140	0.157	0.166	0.216	0.261
175,000	0.089	0.109	0.129	0.144	0.155	0.201	0.247
200,000	0.082	0.100	0.119	0.133	0.145	0.189	0.235
225,000	0.076	0.092	0.111	0.124	0.138	0.178	0.224
250,000	0.071	0.086	0.104	0.117	0.130	0.170	0.215
275,000	0.067	0.082	0.099	0.111	0.124	0.161	0.207
300,000	0.063	0.077	0.093	0.105	0.118	0.154	0.199
325,000	0.060	0.073	0.089	0.100	0.113	0.148	0.193
350,000	0.057	0.070	0.085	0.096	0.109	0.142	0.186
375,000	0.055	0.066	0.082	0.092	0.105	0.137	0.181
400,000	0.052	0.064	0.079	0.089	0.101	0.132	0.176
425,000	0.050	0.061	0.076	0.085	0.098	0.127	0.171
450,000	0.048	0.059	0.073	0.082	0.095	0.124	0.166
475,000	0.046	0.057	0.071	0.079	0.092	0.120	0.162
500,000	0.045	0.055	0.069	0.077	0.082	0.117	0.158
600,000	0.040	0.049	0.062	0.069	0.075	0.105	0.145
700,000	0.036	0.044	0.056	0.063	0.070	0.096	0.135
800,000	0.034	0.041	0.052	0.058	0.065	0.090	0.126
900,000	0.031	0.038	0.049	0.055	0.061	0.084	0.119
1,000,000	0.030	0.036	0.046	0.051	0.040	0.079	0.113
2,000,000	0.018	0.023	0.030	0.033	0.030	0.052	0.077
3,000,000	0.013	0.017	0.022	0.025	0.024	0.040	0.060
4,000,000	0.010	0.013	0.017	0.020	0.020	0.032	0.050
5,000,000	0.008	0.010	0.014	0.016	0.017	0.028	0.043
6,000,000	0.006	0.008	0.011	0.014	0.014	0.023	0.037
7,000,000	0.005	0.007	0.010	0.011	0.012	0.020	0.032
8,000,000	0.005	0.006	0.009	0.010	0.011	0.017	0.029
9,000,000	0.004	0.005	0.008	0.009	0.010	0.016	0.026
10,000,000	0.004	0.005	0.007	0.008	0.000	0.014	0.023

2. **Tax Multipliers**

a. State (non-F classes)	1.058	+
b. Federal classes, or non-F classes where rate is increased by the USL&HW Act Percentage	1.136	+
+ Includes	0.0%	residual market subsidy provision.

4. **Table of Expense Ratios**

XXIII-A

## REDLAND INSURANCE COMPANY

RETROSPECTIVE RATING PLAN MANUAL  
STATE SPECIAL RATING VALUES

STATE: ARKANSAS

EFFECTIVE DATE: September 15, 2008

**Excess Loss and Allocated Expense Pure Premium Factors**  
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
10,000	0.290	0.318	0.333	0.348	0.363	0.385	0.403
15,000	0.258	0.288	0.306	0.321	0.339	0.365	0.386
20,000	0.234	0.265	0.283	0.300	0.320	0.347	0.372
25,000	0.214	0.245	0.265	0.282	0.303	0.332	0.360
30,000	0.198	0.229	0.249	0.267	0.288	0.319	0.349
35,000	0.184	0.215	0.235	0.253	0.275	0.307	0.339
40,000	0.172	0.203	0.223	0.241	0.264	0.296	0.329
50,000	0.153	0.182	0.203	0.221	0.244	0.278	0.313
75,000	0.122	0.147	0.167	0.184	0.207	0.242	0.281
100,000	0.102	0.124	0.144	0.159	0.183	0.216	0.257
125,000	0.089	0.108	0.127	0.141	0.164	0.197	0.238
150,000	0.079	0.097	0.114	0.129	0.150	0.181	0.224
175,000	0.071	0.087	0.105	0.118	0.138	0.168	0.211
200,000	0.065	0.080	0.097	0.109	0.128	0.158	0.200
225,000	0.060	0.074	0.090	0.102	0.119	0.149	0.191
250,000	0.057	0.070	0.085	0.096	0.113	0.141	0.183
275,000	0.053	0.065	0.080	0.090	0.107	0.134	0.175
300,000	0.050	0.062	0.076	0.086	0.102	0.128	0.168
325,000	0.048	0.058	0.072	0.082	0.097	0.123	0.163
350,000	0.045	0.056	0.069	0.078	0.093	0.118	0.157
375,000	0.043	0.053	0.066	0.075	0.089	0.113	0.152
400,000	0.042	0.051	0.064	0.072	0.086	0.109	0.148
425,000	0.040	0.049	0.062	0.069	0.083	0.106	0.144
450,000	0.038	0.047	0.059	0.067	0.080	0.102	0.140
475,000	0.037	0.045	0.057	0.065	0.077	0.099	0.137
500,000	0.036	0.044	0.056	0.063	0.075	0.096	0.133
600,000	0.032	0.039	0.050	0.056	0.068	0.087	0.122
700,000	0.029	0.036	0.045	0.051	0.061	0.079	0.113
800,000	0.028	0.033	0.043	0.048	0.057	0.074	0.106
900,000	0.025	0.031	0.040	0.044	0.053	0.069	0.100
1,000,000	0.024	0.029	0.037	0.042	0.050	0.065	0.095
2,000,000	0.014	0.018	0.024	0.027	0.032	0.043	0.064
3,000,000	0.010	0.013	0.017	0.020	0.024	0.032	0.050
4,000,000	0.008	0.010	0.014	0.016	0.019	0.026	0.041
5,000,000	0.006	0.008	0.011	0.013	0.016	0.022	0.035
6,000,000	0.005	0.006	0.009	0.010	0.013	0.018	0.030
7,000,000	0.004	0.005	0.008	0.009	0.011	0.016	0.026
8,000,000	0.004	0.005	0.006	0.008	0.010	0.014	0.023
9,000,000	0.003	0.004	0.006	0.007	0.009	0.012	0.021
10,000,000	0.003	0.004	0.005	0.006	0.008	0.011	0.018

7. **Retrospective Development Factors****With Loss Limit**

1st	2nd	3rd
Adj.	Adj.	Adj.
0.07	0.07	0.05

**Without Loss Limit**

1st	2nd	3rd	4th & Subsequent Adjustment
Adj.	Adj.	Adj.	
0.16	0.16	0.12	0.00

**Redland Insurance Company**  
**WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY**

**State: Arkansas**

**Effective Date: 9/15/2008**

Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium
Industrial Classes			1452	1.43	303	2095	2.31	391
0005	5.43	703	1463	9.86	750	2105	2.06	366
0008	2.21	381	1472	3.43	503	2110	1.81	341
0016	4.76	636	1624 E	6.43	750	2111	2.13	373
0034	3.65	525	1642	3.46	506	2112	2.30	390
0035	2.18	378	1654	5.31	691	2114	2.27	387
0036	3.47	507	1655	4.19	579	2121	1.89	349
0037	3.92	552	1699	1.69	329	2130	2.37	397
0042	5.40	700	1701	2.62	422	2131	1.60	320
0050	4.40	600	1710 E	5.18	678	2143	1.85	345
0059 D	0.25	---	1741 E	1.57	317	2157	3.43	503
0065 D	0.04	---	1745 X	2.53	413	2172	1.33	300
0066 D	0.04	---	1747	2.21	381	2174	2.48	408
0067 D	0.04	---	1748	6.31	750	2211	4.63	623
0079	3.58	518	1803 D	4.54	614	2220	1.65	325
0083	8.26	750	1852 D	2.10	370	2286	1.20	300
0106	9.66	750	1853	1.96	356	2288	3.42	502
0113	4.84	644	1860	1.65	325	2300	1.81	341
0170	2.09	369	1924	3.58	518	2302	1.44	304
0251	4.27	587	1925	2.48	408	2305	1.81	341
0400	6.83	750	2001	2.02	362	2361	1.02	300
0401	9.32	750	2002	2.53	413	2362	1.48	308
0771 N	0.25	---	2003	2.86	446	2380	3.82	542
0917	3.32	492	2014	5.38	698	2386	0.95	300
1005	9.34	750	2016	1.68	328	2388	1.62	322
1016 X	34.85	750	2021	2.81	441	2402	1.82	342
1164 E	6.03	750	2039	3.77	537	2413	1.43	303
1165 E	3.98	558	2041	3.61	521	2416	1.41	301
1320	2.48	408	2065	1.36	300	2417	1.33	300
1322	13.30	750	2070	4.62	622	2501	1.15	300
1430	3.67	527	2081	3.26	486	2503	1.13	300
1438	2.06	366	2089	2.14	374	2534	1.82	342

**Redland Insurance Company**  
**WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY**

**State: Arkansas**

**Effective Date: 9/15/2008**

Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium
2570	4.19	579	2942	1.99	359	3180	1.51	311
2585	2.62	422	2960	2.73	433	3188	1.29	300
2586	1.12	300	3004	2.32	392	3220	1.60	320
2587	2.45	405	3018	2.17	377	3223	2.53	413
2589	1.22	300	3022	2.69	429	3224	2.07	367
2600	5.40	700	3027	2.27	387	3227	1.54	314
2623	2.38	398	3028	1.96	356	3240	2.56	416
2651	2.23	383	3030	3.40	500	3241	2.38	398
2660	1.23	300	3040	3.15	475	3255	1.97	357
2670	1.95	355	3041	2.81	441	3257	2.88	448
2683	1.67	327	3042	2.69	429	3270	2.73	433
2688	2.58	418	3064	3.89	549	3300	3.78	538
2701	6.26	750	3069	6.68	750	3303	3.23	483
2702 X	25.52	750	3076	2.51	411	3307	2.84	444
2710	7.43	750	3081 D	2.44	404	3315	2.23	383
2714	3.53	513	3082 D	3.29	489	3334	1.81	341
2719 X	9.37	750	3085 D	2.74	434	3336	1.86	346
2731	3.14	474	3110	2.41	401	3365	8.65	750
2735	2.20	380	3111	2.52	412	3372	2.41	401
2759	7.15	750	3113	1.99	359	3373	2.45	405
2790	1.32	300	3114	2.21	381	3383	0.91	300
2802	4.45	605	3118	1.02	300	3385	0.74	300
2812	3.12	472	3119	0.92	300	3400	2.30	390
2835	1.36	300	3122	1.27	300	3507	2.62	422
2836	1.90	350	3126	1.46	306	3515	1.85	345
2841	3.15	475	3131	0.88	300	3548	1.15	300
2881	2.13	373	3132	2.09	369	3559	2.20	380
2883	3.46	506	3145	2.02	362	3574	0.95	300
2913	3.46	506	3146	2.32	392	3581	1.22	300
2915	3.60	520	3169	2.07	367	3612	1.86	346
2916	1.97	357	3175 D	2.41	401	3620	4.91	651
2923	2.03	363	3179	2.03	363	3629	1.65	325

**Redland Insurance Company**  
**WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY**

**State: Arkansas**

**Effective Date: 9/15/2008**

Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium
3632	3.39	499	4061	3.58	518	4410	2.72	432
3634	1.44	304	4062	1.95	355	4420	3.28	488
3635	1.75	335	4101	1.69	329	4431	1.26	300
3638	1.25	300	4111	2.59	419	4432	1.36	300
3642	0.71	300	4112	0.80	300	4439	1.43	303
3643	2.51	411	4113	1.12	300	4452	2.76	436
3647	2.84	444	4114	1.88	348	4459	1.58	318
3648	1.82	342	4130	3.85	545	4470	2.02	362
3681	1.32	300	4131	2.06	366	4484	1.76	336
3685	1.51	311	4133	2.03	363	4493	2.14	374
3719	2.21	381	4150	1.41	301	4511	0.63	300
3724	5.75	735	4206	3.11	471	4557	1.44	304
3726	2.56	416	4207	0.85	300	4558	1.40	300
3803	1.61	321	4239	1.08	300	4561	1.68	328
3807	1.78	338	4240	2.09	369	4568	2.20	380
3808	2.32	392	4243	1.41	301	4581	1.47	307
3821	3.50	510	4244	2.51	411	4583	4.49	609
3822	3.07	467	4250	1.26	300	4611	0.81	300
3824	4.10	570	4251	1.50	310	4635	4.19	579
3826	0.74	300	4263	1.86	346	4653	1.09	300
3827	1.33	300	4273	1.62	322	4665	5.67	727
3830	0.95	300	4279	1.53	313	4670	3.25	485
3851	2.24	384	4282	1.79	339	4683	4.14	574
3865	1.08	300	4283	1.67	327	4686	1.08	300
3881	2.98	458	4299	1.48	308	4692	0.41	300
4000	6.12	750	4304	2.34	394	4693	0.78	300
4021	5.01	661	4307	1.86	346	4703	2.04	364
4024 E	1.88	348	4351	0.97	300	4717	1.51	311
4034	5.88	748	4352	0.85	300	4720	4.42	602
4036	2.13	373	4360	0.77	300	4740	1.30	300
4038	1.83	343	4361	1.12	300	4741	1.48	308
4053	2.91	451	4362	0.98	300	4751	1.26	300

**Redland Insurance Company**  
**WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY**

**State: Arkansas**

**Effective Date: 9/15/2008**

Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium
4771 N	1.44	304	5445	4.58	618	6217	4.58	618
4777	1.47	307	5462	4.83	643	6229	4.54	614
4825	0.76	300	5472	4.40	600	6233	4.94	654
4828	1.41	301	5473	6.02	750	6235	13.15	750
4829	1.02	300	5474	6.61	750	6236	10.82	750
4902	1.13	300	5478	4.02	562	6237	2.77	437
4923	0.94	300	5479	7.11	750	6251 D	7.21	750
5020	6.23	750	5480	7.20	750	6252 D	5.39	699
5022	4.48	608	5491	1.86	346	6260 D	4.76	636
5037	17.57	750	5506	3.36	496	6306	5.12	672
5040	23.56	750	5507	5.05	665	6319	5.00	660
5057	16.86	750	5508 D	8.53	750	6325	4.17	577
5059	20.02	750	5535	6.68	750	6400	6.26	750
5069	25.28	750	5537	4.41	601	6504	2.16	376
5102	3.71	531	5551	12.82	750	6811	4.65	625
5146	4.54	614	5606	1.53	313	6834	3.29	489
5160	3.21	481	5610	5.00	660	6836	5.36	696
5183	3.18	478	5645	10.21	750	6854	4.65	625
5188	4.06	566	5651	7.57	750	6882	4.65	625
5190	2.91	451	5703	82.54	750	6884	10.50	750
5191 X	1.68	328	5705	4.83	643	7133	3.15	475
5192	3.63	523	5951	0.36	300	7222	8.82	750
5213	6.40	750	6003	9.04	750	7228 X	6.26	750
5215	3.82	542	6005	6.87	750	7229 X	6.57	750
5221	4.70	630	6017	3.53	513	7230	3.70	530
5222	10.86	750	6018	1.92	352	7231	4.90	650
5223	4.79	639	6045	2.23	383	7232	11.56	750
5348	3.71	531	6204	9.00	750	7360	6.38	750
5402	4.12	572	6206	5.71	731	7370	4.51	611
5403	8.51	750	6213	7.52	750	7380 X	3.11	471
5437	4.03	563	6214	2.53	413	7382	2.56	416
5443	3.65	525	6216	5.85	745	7390	3.32	492



**Redland Insurance Company**  
**WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY**

**State: Arkansas**

**Effective Date: 9/15/2008**

Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium
7403	2.66	426	8008	1.12	300	8263	8.57	750
7405 N	1.05	300	8010	1.74	334	8264	3.09	469
7420 X	23.04	750	8013	0.45	300	8265	8.53	750
7421	2.44	404	8015	0.59	300	8279	8.19	750
7422	2.06	366	8017	1.08	300	8288	5.52	712
7425	3.81	541	8018 X	2.31	391	8291	1.92	352
7431 N	1.55	315	8021	1.71	331	8292	2.73	433
7445 N	0.56	---	8031	3.56	516	8293	6.29	750
7453 N	0.84	---	8032	1.46	306	8295 X	6.87	750
7502	2.28	388	8033	1.74	334	8304	6.33	750
7515	0.98	300	8039	1.26	300	8350	5.21	681
7520	2.07	367	8044	2.53	413	8380	3.26	486
7538	9.28	750	8045	0.38	300	8381	1.37	300
7539	3.98	558	8046	2.45	405	8385	2.21	381
7540	2.60	420	8047	0.98	300	8392	2.76	436
7580	1.72	332	8058	2.52	412	8393	1.57	317
7590	4.76	636	8072	0.74	300	8500	5.82	742
7600	2.39	399	8102	2.32	392	8601	0.76	300
7601	10.79	750	8103	3.43	503	8606	2.56	416
7605	3.01	461	8105	4.44	604	8719	1.72	332
7610	0.49	300	8106	3.51	511	8720	1.25	300
7611	4.83	643	8107	3.00	460	8721	0.36	300
7612	10.77	750	8111	3.46	506	8742 X	0.43	300
7613	4.30	590	8116	3.85	545	8745	4.20	580
7705	2.37	397	8203	5.05	665	8748	0.38	300
7710	5.31	691	8204	4.38	598	8755	0.24	300
7711	5.31	691	8209	2.74	434	8799	0.88	300
7720 X	2.37	397	8215	5.26	686	8800	0.88	300
7855	5.71	731	8227	2.87	447	8803	0.07	300
8001	2.04	364	8232	5.78	738	8810	0.22	300
8002	2.98	458	8233	4.70	630	8820	0.20	300
8006	1.78	338	8235	3.79	539	8824	2.27	387

**Redland Insurance Company**  
**WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY**

**State: Arkansas**

**Effective Date: 9/15/2008**

Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium	Class Code	Rate Including Disease	Minimum Premium
8825	1.93	353	9102	2.67	427	7024 M	4.59	619
8826	2.04	364	9154	1.78	338	7038 M	5.21	681
8829	2.46	406	9156	1.20	300	7046 M	22.90	750
8831	2.41	401	9170	2.55	415	7047 M	7.39	750
8832	0.25	300	9178	24.05	750	7050 M	9.31	750
8833 X	0.83	300	9179	33.00	750	7090 M	5.78	738
8835	1.81	341	9180	3.40	500	7098 M	25.45	750
8842	1.34	300	9182	2.48	408	7099 M	41.01	750
8864	1.34	300	9186	48.87	750	7151 M	3.82	542
8868	0.35	300	9220	3.12	472	7152 M	6.85	750
8869	0.67	300	9402	3.95	555	7153 M	4.26	586
8871	0.21	300	9403	5.25	685	7333 M	4.96	656
8901	0.24	300	9410	1.61	321	7335 M	5.50	710
9012	1.78	338	9501	4.03	563	7337 M	8.86	750
9014	2.55	415	9505	3.50	510	7394 M	10.05	750
9015 X	2.21	381	9516	2.98	458	7395 M	11.17	750
9016	5.71	731	9519	1.68	328	7398 M	18.00	750
9019	2.72	432	9521	4.86	646	8734 M	0.59	300
9033	1.81	341	9522	1.44	304	8737 M	0.53	300
9040	3.23	483	9534	6.41	750	8738 M	0.94	300
9052	1.43	303	9554	6.80	750	8805 M	0.31	300
9058	1.64	324	9586	0.60	300	8814 M	0.27	300
9059	2.53	413	9600	1.50	310	8815 M	0.49	300
9060	1.67	327	9620	1.22	300	F-Classes		
9061	1.27	300	Per Capita Classes			6801 F	10.58	750
9063	0.91	300	0908 P	120.00	280	6824 F	30.48	750
9082	1.47	307	0913 P	297.00	457	6826 F	11.69	750
9083	1.48	308	Maritime Classes			6843 F	13.61	750
9084	1.72	332	6702 M	6.94	750	6845 F	20.65	750
9089	1.05	300	6703 M	12.42	750	6872 F	17.74	750
9093	1.29	300	6704 M	7.71	750	6874 F	36.29	750
9101	2.77	437	7016 M	4.13	573	7309 F	20.64	750

**Redland Insurance Company**  
**WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY**

**State: Arkansas**

**Effective Date: 9/15/2008**

<b>Class Code</b>		<b>Rate Including Disease</b>	<b>Minimum Premium</b>	<b>Class Code</b>		<b>Rate Including Disease</b>	<b>Minimum Premium</b>	<b>Class Code</b>		<b>Rate Including Disease</b>	<b>Minimum Premium</b>
7313	F	5.85	745								
7317	F	9.25	750								
7327	F	27.31	750								
7350	F	17.81	750								
8709	F	7.34	750								
8726	F	8.41	750								
9077	F	3.89	549								

**Redland Insurance Company**  
**WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY**

**State: Arkansas**

---

**Legend**

- a** Rate for each individual risk must be obtained from your home office.
- A** Minimum Premium \$100 per ginning location for policy minimum premium computation.
- b** See Schedule of annual loss costs for volunteer firemen.
- c** New York only - see page 6 of miscellaneous values section.
- D** Special disease rule for the classification - See Rule IV of Manual supplement - Treatment of Disease Coverage.
- D** For New York Only - This classification may only be used upon the specific assignment of the Board.
- E** Classification involving Specific disease loading. Refer to your home office.
- o** New York only - see page 7, rates for volunteer firefighters.
- F** Rate/Loss Cost provides for coverage under the United States Longshore and Harbor Workers' Compensation Act and its Extensions. Rates contain a provision for federal assessment.
- d** OD: \$1.13 Supplemental applies when coverage for Federal black lung is provided. It is not subject to experience rating. Code as 0164.
- i** Per hazardous materials response team.
- j** Code 9108 may also apply.
- k** Not subject to experience rating
- L** Not applicable where Code Nos. 9412-13-14 Municipal Operations are indicated, for reference to which see Wisconsin exception page.
- M** Rate/Loss Costs provides for coverage under Admiralty Law and Federal Employers' Liability Act (FELA).
- N** This is part of a ratable/non-ratable group.
- P** Classification is computed on a per capita basis.
- S** Rate provides for exclusive state act coverage.
- X** Refer to special classification phraseology in these pages which is applicable in this state.
- Z** Classification potentially available. If needed, Home Office should contact the Massachusetts Bureau.
- #** Indicates a classification without state exposure - Item B - 1139.

**Redland Insurance Company**  
**WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY**

**State: Arkansas**

---

**Expense Constant:** \$160

**Worker's Compensation Premium Discount Table**

		<b>Discount</b>
<b>First:</b>	\$5,000	0.0%
<b>Next:</b>	\$95,000	10.9%
<b>Next:</b>	\$400,000	12.6%
<b>Over:</b>	\$500,000	14.4%

SERFF Tracking Number:	MADC-125765839	State:	Arkansas
Filing Company:	Redland Insurance Company	State Tracking Number:	EFT \$100
Company Tracking Number:	RIC-AR-2008-006		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	Workers Compensation Program		
Project Name/Number:	LCM Revision - Logging/RIC-AR-2008-006		

## Supporting Document Schedules

<b>Satisfied -Name:</b>	Uniform Transmittal Document-Property & Casualty	<b>Review Status:</b>	Approved	08/07/2008
-------------------------	--	-----------------------	----------	------------

**Comments:**

**Attachments:**

P&C Transmittal.PDF

Rate Rule Schedule.PDF

<b>Satisfied -Name:</b>	NAIC Loss Cost Filing Document for Workers' Compensation	<b>Review Status:</b>	Approved	08/07/2008
-------------------------	--	-----------------------	----------	------------

**Comments:**

**Attachments:**

LCM Calc with EC.PDF

LCM Calculation.PDF

Adoption of LC.PDF

<b>Satisfied -Name:</b>	NAIC loss cost data entry document	<b>Review Status:</b>	Approved	08/07/2008
-------------------------	------------------------------------	-----------------------	----------	------------

**Comments:**

**Attachment:**

LC Data Entry.PDF

<b>Satisfied -Name:</b>	Cover Letter	<b>Review Status:</b>	Approved	08/07/2008
-------------------------	--------------	-----------------------	----------	------------

**Comments:**

**Attachment:**

Cover Letter.PDF

<b>Satisfied -Name:</b>	Filing Memo	<b>Review Status:</b>	Approved	08/07/2008
-------------------------	-------------	-----------------------	----------	------------

**Comments:**

**Attachments:**

<i>SERFF Tracking Number:</i>	<i>MADC-125765839</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Redland Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>RIC-AR-2008-006</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation Program</i>		
<i>Project Name/Number:</i>	<i>LCM Revision - Logging/RIC-AR-2008-006</i>		

Filing Memo.PDF

CW Memo.PDF

<i>SERFF Tracking Number:</i>	<i>MADC-125765839</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Redland Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>RIC-AR-2008-006</i>		
<i>TOI:</i>	<i>16.0 Workers Compensation</i>	<i>Sub-TOI:</i>	<i>16.0004 Standard WC</i>
<i>Product Name:</i>	<i>Workers Compensation Program</i>		
<i>Project Name/Number:</i>	<i>LCM Revision - Logging/RIC-AR-2008-006</i>		

<b>Satisfied -Name:</b>	Filing Exhibits	<b>Review Status:</b>	
<b>Comments:</b>		Approved	08/07/2008
<b>Attachment:</b>			
Exhibits.PDF			

<b>Satisfied -Name:</b>	Authorization Letter	<b>Review Status:</b>	
<b>Comments:</b>		Approved	08/07/2008
<b>Attachment:</b>			
PIC & RIC Authorization 5-18-07.pdf			

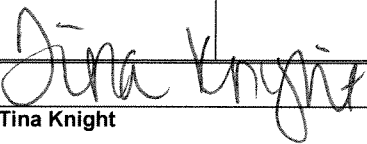


## PROPERTY &amp; CASUALTY TRANSMITTAL DOCUMENT (Revised 1/1/04)

1. Reserved for Insurance Dept. Use Only		2. Insurance Department Use Only		
		a. Date the filing is received:		
		b. Analyst:		
		c. Disposition:		
		d. Date of Disposition of filing:		
		e. Effective date of filing:		
		f. State Filing #:		
		g. SERFF Filing #:		
3. Group Name				Group NAIC #
4. Company Name(s)		Domicile	NAIC #	FEIN #
Redland Insurance Company		NJ	37303	

Company Tracking Number	RIC-AR-2008-006
-------------------------	-----------------

## Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	E-mail
	Tina Knight c/o Madison Consulting Group 200 North Second Street Madison, GA 30650	Analyst	706-342-7750	706-342-7775	tina@madisoninc.com
7.	Signature of authorized filer				
					
8.	Please print name of authorized filer				
	Tina Knight				

## Filing Information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	Workers Compensation
10.	Sub-Type of Insurance (Sub-TOI)	
11.	State Specific Product Code(s) (if applicable)[See State Specific Requirements]	
12.	Company Program Title (Marketing title)	Workers Compensation Program
		[X] Rate/Loss Costs [ ] Rules [ ] Rates/Rules [ ] Forms [ ] Combination Rates/Rules/Forms [ ] Withdrawal [ ] Other (give description)
13.	Filing Type	
14.	Effective Date(s) Requested	New: 9/15/2008 Renewal: 9/15/2008
15.	Reference Filing?	[ X] Yes [ ] No
16.	Reference Organization (if applicable)	NCCI
17.	Reference Organization Number & Title	AR-2008-06
18.	Company's Date of Filing	8/6/2008
19.	Status of Filing in Domicile	[ ] Not Filed [ ] Pending [ ] Authorized [ ] Disapproved

Effective January 1, 2004

## PROPERTY &amp; CASUALTY TRANSMITTAL DOCUMENT

20.	This filing transmittal is part of Company Tracking Number	RIC-AR-2008-006
21.	Filing Description [This area should be similar to the body of a cover letter and is free-form text]	

The purpose of this filing is to revise the Company's loss cost multiplier. The Company will be targeting a book of business previously written by Capital City Insurance Company. The targeted risks will be mainly logging/forestry business and based on a review of the data for the previous program, the Company would like to revise their current loss cost multiplier of 1.61 to 1.400.

The overall estimated rate impact of this filing is -13%. The premium impact is 0.0% as there is currently no new or renewal business being written in Arkansas on Redland paper. We believe that the 1.40 is very close to the rate level that the program was previously written at and that this loss cost multiplier will produce rates that are adequate and not excessive.

We request an effective date of September 15, 2008.

22.	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<b>Check Number:</b> <b>Amount:</b>	
Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.	

\*\*\*Refer to each state's checklist for additional states specific requirements (i.e. number of additional copies required, other state specific forms, etc.)

**RATE/RULE FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes rate-related item such as Rate, Rule, Rate & Rule, Reference, Loss Cost, Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing.)

1.	This filing transmittal is part of Company Tracking Number		RIC-AR-2008-006	
2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)			
<input type="checkbox"/> Rate Increase <input checked="" type="checkbox"/> Rate Decrease <input type="checkbox"/> Rate Neutral (0%)				
3.	Overall percentage rate impact for this filing		-13.0	
4.	Effect of Rate Filing—Written premium change for this program			
5.	Effect of Rate Filing—Number of policyholders			
6.	Filing method (Prior Approval, File & Use, Flex Band, etc.)		Prior Approval	
7.	<b>Rate Change by Company</b>			
	Company Name	Percentage Change for this program	Number of policyholders for this program	Written premium for this program
	Redland	-13.0		
8.	Overall percentage of last rate revision		-12.8	
9.	Effective Date of last rate revision		7/1/08	
10.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)		Prior Approval	
11.	Exhibit Name/Description/ Synopsis	Rule # or Page #	Replacement or withdrawn?	Previous state filing number if required by state
01	Rate Pages	1 - 9	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
02	Small Deductible Credits	1	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
03	Retrospective Rating Values	1 - 2	<input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
04			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
05			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	

To be complete, a rate/rule filing must include the following:

1. A completed Rate/Rule Filing Transmittal document (PC RRFS-1) (do not refer to the body of the filing for the component/exhibit listing) and
2. A completed Property & Casualty Transmittal Document (PC TD-1) and
3. One copy of all rate/rule components/exhibits submitted with the filing, and
4. The appropriate state review requirements, if required, and
5. The appropriate filing fees, if required, and
6. A postage-paid, self-addressed envelope **large enough to accommodate the return.**
7. You should refer to each state's checklist for additional state specific requirements (i.e., number of additional copies required, other state specific forms, etc.)

# NAIC EXPENSE CONSTANT SUPPLEMENT

## CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

(EFFECTIVE AUG. 16, 2004)

(This form must be provided ONLY when making a filing that includes an expense constant)

<b>This filing transmittal is part of Company Tracking #</b>	RIC-AR-2008-006
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	

**Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)**

### Selected Provisions

4.			Overall	Variable	Fixed	
	A.	Total Production Expense	20.3	19.3	1.0	%
	B.	General Expense	4.6	3.6	1.0	%
	C.	Taxes, License & Fees	5.5	5.5		%
	D.	Underwriting Profit & Contingencies*				%
	E.	Other (explain) Prem Discount	10.5	10.5		%
	F.	TOTAL	40.9	38.9	2.0	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: $ELR = 100\% - \text{Overall } 4F$	.591	%
	B.	ELR in decimal form =	59.1	
	C.	Variable Expected Loss Ratio: $VELR = 100\% - \text{Variable } 4F$	.611	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =	61.1	

6.	A.	Formula Expense Constant: [(1.00 divided by 5B) – (1.00 divided by 5D)]	270	
	B.	Formula Variable Loss Cost Multiplier (3B divided by 5D)	1.399	

7.	A.	Selected Expense Constant =	160	%
	B.	Selected Variable Loss Cost Multiplier =	1.40	%

**8. Explain any differences between 6 and 7:**

Rounding

9.	Rate level change for the coverage(s) to which this page applies	-13	%
----	--	-----	---

# NAIC LOSS COST FILING DOCUMENT— *WORKERS' COMPENSATION*

## CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

<b>This filing transmittal is part of Company Tracking #</b>	RIC-AR-2008-006
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	

( X ) **Loss Cost Reference Filing** NCCI AR-2008-06 ( ) **Independent Rate Filing**  
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

### 1. Check one of the following:

<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. <b>Note: Some states have statutes that prohibit this option for some lines of business.</b>
<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Does this filing apply to all class codes? Yes If no, complete a copy of this form for each affected class with appropriate justification.

### 3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:  
(Check One)

( ) Without Modification (factor = 1.000)

(X) With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) .855

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) .855

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.

4. **Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio.** (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)  
PROJECTED EXPENSES: Compared to standard premium at company rates.

		Selected Provisions	
A.	Total Production Expense	19.3	%
B.	General Expense	3.6	%
C.	Taxes, Licenses & Fee	5.5	%
D.	Underwriting profit & contingencies*		%
E.	Other (explain)		%
F.	Total	28.4	%
	* Explain how investment income is taken into account		

5.	A.	Expected Loss Ratio: ELR = 100% - 4F =	71.6
	B.	ELR in Decimal Form =	.716

**NAIC LOSS COST FILING DOCUMENT—*WORKERS' COMPENSATION***

6.	Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)	1.001
7.	Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating: (An 8.6% average discount would be expressed as 0.914)	.895
8.	Company Formula Loss Cost Multiplier [3B / ((7 – 4F) X 6)]	1.397
9.	Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	1.40

Yes No

10. **Are you amending your minimum premium formula?** If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc.

( ) (X)

11. **Are you changing your premium discount schedules?** If yes, attach schedules and support, detailing premium or rate level changes.

( ) (X)

Date: 8/6/2008

Space Reserved for Insurance  
Department Use

**WORKERS' COMPENSATION  
LOSS COST FILING DOCUMENT COVER FORM**

**INSURER RATE FILING  
ADOPTION OF ADVISORY ORGANIZATION  
PROSPECTIVE LOSS COSTS**

1. INSURER NAME Redland Insurance Company
- ADDRESS QBE the Americas  
Wall Street Plaza  
88 Pine Street  
New York, NY 10005
2. PERSON RESPONSIBLE FOR FILING Tina Knight
- TITLE Analyst TELEPHONE # 706-342-7750
3. INSURER NAIC # 37303
4. ADVISORY ORGANIZATION NCCI
- 5A. PROPOSED RATE LEVEL CHANGE -13.0 % EFFECTIVE DATE 9/15/08
- 5B. PROPOSED PREMIUM LEVEL CHANGE\* 0 % EFFECTIVE DATE 9/15/08
- 6A. PRIOR RATE LEVEL CHANGE -12.8 % EFFECTIVE DATE 7/1/08
- 6B. PRIOR PREMIUM LEVEL CHANGE\* 0 % EFFECTIVE DATE 7/1/08
7. ATTACH "NAIC LOSS COST FILING DOCUMENT—WORKERS' COMPENSATION"  
(Attach this document separately for each insurer selected loss cost multiplier.)

\* The premium level change is the change in the insurer's annual collectible premium.

# NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	RIC-AR-2008-006
----	---	-----------------

2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	
----	--	--

Company Name		Company NAIC Number
3.	A. Redland Insurance Company	B. 37303

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A. Workers Compensation	B. Standard

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY (Industrial)			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(H) Co. Current Loss Cost Multiplier
Workers Compensation	N/A	-13	61.1	.855	1.40	1.61
TOTAL OVERALL EFFECT	N/A	-13				

6.		5 Year History		Rate Change History				7.	
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio	Expense Constants	Selected Provisions
2008	0	-12.8	7/1/08	0	0	0		A. Total Production Expense	19.3
2008	0	+2.7	1/1/08	0	0	0		B. General Expense	3.6
2007	0	+7.3	7/1/07	0	0	0		C. Taxes, License & Fees	5.5
2006	0	Initial	6/15/06	0	0	0		D. Underwriting Profit & Contingencies	
								E. Other (explain)Prem Disc	10.5
								F. TOTAL	38.9

7.	Expense Constants	Selected Provisions
	A. Total Production Expense	19.3
	B. General Expense	3.6
	C. Taxes, License & Fees	5.5
	D. Underwriting Profit & Contingencies	
	E. Other (explain) Prem Disc	10.5
	F. TOTAL	38.9

8. Y Apply Lost Cost Factors to Future filings? (Y or N)

9. Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):

10. Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):





# MADISON CONSULTING GROUP

Actuaries • Property/Casualty Consulting Services

August 6, 2008

Honorable Julie Benefield Bowman  
Insurance Commissioner  
Arkansas Department of Insurance  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

RE: Redland Insurance Company  
NAIC #37303  
Workers Compensation Program  
Revision to Loss Cost Multiplier

Dear Commissioner Bowman:

In accordance with Arkansas rate regulatory law, we wish to make the enclosed rate filing for Redland Insurance Company's (the Company's) workers compensation program in Arkansas.

## **Purpose of Filing**

The purpose of this filing is to revise the Company's loss cost multiplier. The Company will be targeting a book of business previously written by Capital City Insurance Company. The targeted risks will be mainly logging/forestry business and based on a review of the data for the previous program, the Company would like to revise their current loss cost multiplier of 1.61 to 1.400.

## **Impact of Filing**

The overall estimated rate impact of this filing is -13%. The premium impact is 0.0% as there is currently no new or renewal business being written in Arkansas on Redland paper. We believe that the 1.40 is very close to the rate level that the program was previously written at and that this loss cost multiplier will produce rates that are adequate and not excessive.

## **Requested Effective Date**

We request an effective date of September 15, 2008.

200 North Second Street • Madison, Georgia 30650

Honorable Benefield Bowman  
August 6, 2008  
Page 2


**Contact**

Please direct any technical questions related to this filing to:

Tina Knight  
Madison Consulting Group, Inc.  
200 North Second Street  
Madison, Georgia 30650  
706-342-7750 FAX 706-342-7775  
e-mail: [tina@madisoninc.com](mailto:tina@madisoninc.com)

Thank you for your consideration and assistance.

Sincerely,

  
Tina Knight  
Analyst

TJK/ms  
Attachments

Cc: NCCI



**RATE FILING MEMORANDUM**  
**REDLAND INSURANCE COMPANY**  
**WORKERS' COMPENSATION PROGRAM**  
**STATE OF ARKANSAS**  
**EFFECTIVE SEPTEMBER 15, 2008**

In accordance with Arkansas rate and rule regulatory law, we make the enclosed filing for the above company's workers compensation program in Arkansas.

The purpose of this filing is to revise the Company's loss cost multiplier. The Company will be targeting a book of business previously written by Capital City Insurance Company. The targeted risks will be mainly logging/forestry business and based on a review of the data for the previous program, the Company would like to revise their current loss cost multiplier of 1.61 to 1.400. The overall estimated rate impact of this filing is -13%. The premium impact is 0.0% as there is currently no new and renewal business being written in Arkansas on Redland paper. We believe that the 1.40 is very close to the rate level that the program was previously written at and that this loss cost multiplier will produce rates that are adequate and not excessive.

**Exhibit I - Summary of Proposed Rates**

This exhibit shows our proposed loss cost multiplier of 1.40 for all classes. This multiplier is calculated on Exhibit II, sheets 1 and 2 on a standard and net basis. This exhibit also shows that our proposed rates are based on the NCCI 7/01/08 advisory loss costs.

**Exhibit II - Proposed Expenses**

Sheet 1 of Exhibit II shows the breakdown of standard premium into its various components. Sheet 2 shows a similar breakdown of net premium. It can be seen that the proposed rates target a loss and LAE ratio of 68% of net premium. We believe this is reasonable relative to the previous experience (Exhibit VI).

**Exhibit III - Rate of Return**

Sheet 2 of the exhibit shows the estimated investment income on unearned premiums and loss reserves. Sheet 1 shows the imputed after-tax return on surplus (11.0%) based on an underwriting profit load of 0%.

**Exhibit IV - Small Deductible Program**

The proposed deductible credits are based on NCCI's advisory loss elimination ratios. See Exhibit

IV for the development of the proposed deductible credits.

**Exhibit V – Development of Retrospective Rating Values**

These values were developed based on expense loads underlying proposed loss cost multiplier as well as values in the NCCI advisory material.

**Countrywide Expense Memorandum**

This filing is based on expenses for programs writing business on Praetorian Insurance Company (an affiliated company) that were previously written on Clarendon National Insurance Company paper.

# **PRAETORIAN INSURANCE COMPANY**

## **WORKERS' COMPENSATION**

### **COUNTRYWIDE EXPENSE MEMORANDUM 1999-2008**

This memorandum provides a review of the countrywide expenses generated by Praetorian (and its predecessor Clarendon) workers' compensation program. The analysis is based on direct premium and expense amounts appearing in the Companies' Insurance Expense Exhibits (IEE). In interpreting the statistics from the IEE, the following should be noted:

- The program became effective in 1993 and grew rapidly. For this reason, expense experience for the early periods of the program may not be relevant to the current situation.
- Clarendon paid for many of the services necessary for the program to outside vendors using a commission type arrangement. In more traditional programs, these expenses would more typically be internal "overhead" expenses of the Company. Specific examples of such expenses include unallocated loss adjustment expenses and loss control services. Because of this difference in structure, Clarendon's expenses by category from the IEE cannot be directly compared to industry average expenses by category.
- In ratemaking or loss cost analysis, it is often necessary to convert expenses to a standard basis. To make this conversion for the historical data, it is necessary to reflect that Clarendon introduced premium discount plans at varying dates. By the end of 1995, a plan was effective in all states.
- In 2006 all active programs transitioned to Praetorian Insurance Company.

#### **Analysis**

Table A show the actual expenses (as a percentage of premium) for 1999-2005 as reported on the IEE. The percentages reflect direct expenses and premium. The premium is after any premium discounts. Depending on the category of expense involved, the percentages are either relative to written or earned premium. The premium basis was selected in order to most accurately match premium and expenses based on consideration of how the expenses are incurred in Clarendon/Praetorian's programs. The Clarendon amounts are shown as actual and also with the commission adjusted. The adjustment to the commission was accomplished by transferring expenses from the commission to the loss adjustment expense category based on an examination of the typical costs of claims adjustment services. We have estimated that this normally runs about 5%.

**Table A: Countrywide Direct Expense to Direct Premium (Net of Discounts)**

Expense Category	Clarendon 1999-2005	Clarendon Adjusted	2006 Praetorian	2007 Praetorian	Selected
Commission (W)	21.3%	16.3%	18.3%	23.7%	0.177
Other Acquisition (E)	3.0%	3.0%	13.7%	3.8%	0.033
General Expense (E)	3.6%	3.6%	9.0%	3.8%	0.040
Premium Taxes (W)	3.5%	3.5%	2.9%	2.3%	0.030
Loss Adjustment Expenses (LAE) (E)	12.8%			6.5%	
Total	44.2%	26.4%	27.8%	40.1%	0.280
Total - Excluding LAE	31.4%			33.6%	
Losses Incurred (E)	94.3%			68.3%	

Note: W=Ratio to written premium

E=Ratio to earned premium

Table B adjusts the actual expense loads from Table A to provide the expenses as a ratio to standard premium. In making this adjustment it is assumed that net premium is 92% of standard premium (i.e., discount = 8%).

**Table B:**

	Ratio to Direct	Ratio to Standard
Commission	.177	0.163
Other Acquisition	.033	0.030
General	.040	0.036
Prem Taxes	.030	0.028
Total	0.280	0.257

Exhibit I

# **REDLAND INSURANCE COMPANY**

**WORKERS' COMPENSATION  
ARKANSAS**

## **SUMMARY OF PROPOSED RATES**

Proposed Manual Rates:

Rates are calculated as the 7/1/08 NCCI  
advisory loss costs multiplied by:  
1.40

**REDLAND INSURANCE COMPANY**

**WORKERS' COMPENSATION  
ARKANSAS**

**DEVELOPMENT OF PROPOSED EXPENSE LOAD  
AS PERCENT OF STANDARD PREMIUM  
ALL CLASSES**

<u>Item</u>	<u>Proposed</u>
(1) Production Expenses	19.3 % (a)
(2) General Expense	3.6 (a)
(3) Taxes, Licenses, and Fees	5.5 (b)
(4) Profit & Contingencies	0.0 (c)
(5) Premium Discount	10.5
(6) Total	38.9 %
(7) Expected Loss and LAE Ratio [1.0 - (6)]	61.1 %
(8) Loss Cost Modification Factor	0.855
(9) Loss Cost Multiplier [ (8) ÷ (7) ]	1.40

Notes: (a) Based on review of expected and previous expense levels.  
(b) Based on actual tax rate in state.  
(c) See Exhibit III, Sheet 1.



**REDLAND INSURANCE COMPANY**

**WORKERS' COMPENSATION  
ARKANSAS**

**DEVELOPMENT OF PROPOSED EXPENSE LOAD  
FACTORS BASED ON NET PREMIUM  
ALL CLASSES**

<u>Item</u>	<u>Breakdown of Standard Premium</u>	<u>Breakdown of Net Premium</u>	
(1) Production Expenses	19.30%	21.56%	(a)
(2) General Expense	3.60%	4.02%	(a)
(3) Taxes, Licenses, and Fees	5.50%	6.15%	(b)
(4) Profit & Contingencies	0.00%	0.00%	(c)
(5) Premium Discount	10.50%	0.00%	
(6) Total	38.90%	31.73%	
(7) Expected Loss and LAE Ratio [1.0 - (6)]	61.10%	68.27%	
(8) Total	1.000	1.000	

Notes: (a) Based on review of expected and previous expense levels.  
(b) Based on actual tax rate in state.  
(c) See Exhibit III, Sheet 1.

## REDLAND INSURANCE COMPANY

### WORKERS' COMPENSATION ARKANSAS

#### ESTIMATED INVESTMENT INCOME ON UNEARNED PREMIUM AND LOSS RESERVES

##### I. Unearned Premium Reserve

A. Direct Earned Premium (a)	\$ 1.00
B. Mean Unearned Premium Reserve (b)	0.25
C. Deduction for Prepaid Expenses (c)	
1. Commissions and Brokerage	16.3 %
2. 50% of Other Acquisition Cost	1.5
3. 50% of General Expense	1.8
4. Total	19.6 %
D. Deduction for Federal Taxes Payable (35% x 20%)	7.0 %
E. [B x (C + D)]	0.07
F. Net Subject to Investment [B - E]	0.18

##### II. Delayed Remission of Premiums

A. Direct Earned Premium (a)	1.00
B. Average Agent's Balances (b)	22.0 %
C. Delayed Remission [A x B]	0.22

##### III. Expected Loss and Loss Adjustment Expense Reserve

A. Direct Earned Premium (a)	1.00
B. Expected Loss and LAE Ratio (c)	0.61
C. Reserve to Incurred Ratio (b)	1.65
D. Expected Loss and Loss Adjustment Expense Reserve [B x C]	1.01

##### IV. Net Subject to Investment [I.F - II.C + III.D]

V. Average Rate of return on Invested Assets (post-tax) (d)	3.5 %
VI. Investment Earnings on Net Subject to Investment [IV. x V.]	3.4 %

##### VII. Average Investment Income as a Percentage of Direct Earned Premium [VI. ÷ I.A]

Notes: See Sheet 3.

**REDLAND INSURANCE COMPANY**

WORKERS' COMPENSATION  
ARKANSAS

NOTES TO SHEET 2

- (a) Earned Premium is indexed to 1.00.
- (b) Based on insurance industry data and estimated prospective conditions
- (c) Based on expected expense loads underlying proposed rates (adjusted to reflect impact of premium discounts and expense gradation).
- (d) Based on estimated prospective yields.

## Redland Insurance Company

### DEVELOPMENT OF DEDUCTIBLE CREDITS WORKERS COMPENSATION (DEDUCTIBLES IN RANGE \$1000 - 5,000) APPLICABLE TO TOTAL LOSSES

A: Expected Loss Ratio	0.540
B: Tax Multiplier	1.058
C: Overhead Expense [1/B - A]	0.405

Deductible Amount	D: Loss Elimination Ratios (a)							E: Excess Loss Ratios [A x (1-D)]						
	Hazard Groups							Hazard Groups						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G
1,000	0.130	0.104	0.089	0.074	0.062	0.043	0.032	0.470	0.484	0.492	0.500	0.507	0.517	0.523
1,500	0.159	0.128	0.109	0.092	0.078	0.054	0.041	0.454	0.471	0.481	0.490	0.498	0.511	0.518
2,000	0.181	0.147	0.126	0.107	0.091	0.065	0.049	0.442	0.461	0.472	0.482	0.491	0.505	0.514
2,500	0.201	0.163	0.141	0.121	0.102	0.074	0.056	0.431	0.452	0.464	0.475	0.485	0.500	0.510
3,000	0.218	0.178	0.154	0.132	0.113	0.082	0.062	0.422	0.444	0.457	0.469	0.479	0.496	0.507
3,500	0.234	0.191	0.166	0.143	0.122	0.090	0.068	0.414	0.437	0.450	0.463	0.474	0.491	0.503
4,000	0.248	0.203	0.178	0.154	0.131	0.097	0.074	0.406	0.430	0.444	0.457	0.469	0.488	0.500
4,500	0.262	0.215	0.188	0.163	0.140	0.104	0.079	0.399	0.424	0.438	0.452	0.464	0.484	0.497
5,000	0.274	0.226	0.198	0.173	0.148	0.111	0.084	0.392	0.418	0.433	0.447	0.460	0.480	0.495

Deductible Amount	F: Loss and Expense Ratios [(E+C)xB]							G: Deductible Credits [1-F]						
	Hazard Groups							Hazard Groups						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G
1,000	0.926	0.941	0.949	0.957	0.965	0.975	0.982	0.074	0.059	0.051	0.043	0.035	0.025	0.018
1,500	0.909	0.927	0.937	0.947	0.955	0.969	0.977	0.091	0.073	0.063	0.053	0.045	0.031	0.023
2,000	0.896	0.916	0.928	0.938	0.948	0.963	0.972	0.104	0.084	0.072	0.062	0.052	0.037	0.028
2,500	0.884	0.907	0.919	0.931	0.942	0.957	0.968	0.116	0.093	0.081	0.069	0.058	0.043	0.032
3,000	0.875	0.898	0.912	0.925	0.935	0.953	0.965	0.125	0.102	0.088	0.075	0.065	0.047	0.035
3,500	0.867	0.891	0.905	0.918	0.930	0.948	0.961	0.133	0.109	0.095	0.082	0.070	0.052	0.039
4,000	0.858	0.883	0.898	0.912	0.925	0.945	0.957	0.142	0.117	0.102	0.088	0.075	0.055	0.043
4,500	0.851	0.877	0.892	0.907	0.919	0.941	0.954	0.149	0.123	0.108	0.093	0.081	0.059	0.046
5,000	0.843	0.871	0.887	0.901	0.915	0.936	0.952	0.157	0.129	0.113	0.099	0.085	0.064	0.048

Notes: (a) Based on NCCI advisory loss elimination ratios.

## Redland Insurance Company

### DEVELOPMENT OF DEDUCTIBLE CREDITS WORKERS COMPENSATION (DEDUCTIBLES IN RANGE \$1000 - 5,000) APPLICABLE TO MEDICAL LOSSES

A: Expected Loss Ratio	0.540
B: Tax Multiplier	1.058
C: Overhead Expense [1/B - A]	0.405

Deductible Amount	D: Loss Elimination Ratios (a)						
	Hazard Groups						
	A	B	C	D	E	F	G
1,000	0.126	0.101	0.086	0.071	0.060	0.041	0.030
1,500	0.152	0.122	0.104	0.088	0.074	0.051	0.038
2,000	0.171	0.138	0.119	0.100	0.085	0.059	0.045
2,500	0.187	0.152	0.131	0.111	0.094	0.067	0.050
3,000	0.201	0.164	0.142	0.121	0.102	0.073	0.055
3,500	0.213	0.175	0.151	0.129	0.110	0.079	0.060
4,000	0.225	0.184	0.160	0.137	0.117	0.085	0.064
4,500	0.235	0.193	0.168	0.145	0.123	0.090	0.068
5,000	0.244	0.201	0.175	0.151	0.129	0.095	0.072

E: Excess Loss Ratios [A x (1-D)]							
Hazard Groups							
A	B	C	D	E	F	G	
0.472	0.485	0.494	0.502	0.508	0.518	0.524	
0.458	0.474	0.484	0.492	0.500	0.512	0.519	
0.448	0.465	0.476	0.486	0.494	0.508	0.516	
0.439	0.458	0.469	0.480	0.489	0.504	0.513	
0.431	0.451	0.463	0.475	0.485	0.501	0.510	
0.425	0.446	0.458	0.470	0.481	0.497	0.508	
0.419	0.441	0.454	0.466	0.477	0.494	0.505	
0.413	0.436	0.449	0.462	0.474	0.491	0.503	
0.408	0.431	0.446	0.458	0.470	0.489	0.501	

Deductible Amount	F: Loss and Expense Ratios [(E+C)xB]						
	Hazard Groups						
	A	B	C	D	E	F	G
1,000	0.928	0.942	0.951	0.960	0.966	0.977	0.983
1,500	0.913	0.930	0.941	0.949	0.957	0.970	0.978
2,000	0.902	0.920	0.932	0.943	0.951	0.966	0.974
2,500	0.893	0.913	0.925	0.936	0.946	0.962	0.971
3,000	0.884	0.906	0.918	0.931	0.942	0.959	0.968
3,500	0.878	0.900	0.913	0.926	0.937	0.954	0.966
4,000	0.872	0.895	0.909	0.922	0.933	0.951	0.963
4,500	0.865	0.890	0.904	0.917	0.930	0.948	0.961
5,000	0.860	0.884	0.900	0.913	0.926	0.946	0.959

G: Deductible Credits [1-F]							
Hazard Groups							
A	B	C	D	E	F	G	
0.072	0.058	0.049	0.040	0.034	0.023	0.017	
0.087	0.070	0.059	0.051	0.043	0.030	0.022	
0.098	0.080	0.068	0.057	0.049	0.034	0.026	
0.107	0.087	0.075	0.064	0.054	0.038	0.029	
0.116	0.094	0.082	0.069	0.058	0.041	0.032	
0.122	0.100	0.087	0.074	0.063	0.046	0.034	
0.128	0.105	0.091	0.078	0.067	0.049	0.037	
0.135	0.110	0.096	0.083	0.070	0.052	0.039	
0.140	0.116	0.100	0.087	0.074	0.054	0.041	

Notes: (a) Based on NCCI advisory loss elimination ratios.

## Redland Insurance Company

### DEVELOPMENT OF DEDUCTIBLE CREDITS WORKERS COMPENSATION (DEDUCTIBLES IN RANGE \$1000 - 5,000) APPLICABLE TO INDEMNITY LOSSES

A: Expected Loss Ratio	0.540
B: Tax Multiplier	1.058
C: Overhead Expense [1/B - A]	0.405

Deductible Amount	D: Loss Elimination Ratios (a)							E: Excess Loss Ratios [A x (1-D)]						
	Hazard Groups							Hazard Groups						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G
1,000	0.027	0.021	0.019	0.018	0.016	0.013	0.010	0.525	0.529	0.530	0.530	0.531	0.533	0.535
1,500	0.037	0.029	0.027	0.025	0.022	0.019	0.014	0.520	0.524	0.525	0.527	0.528	0.530	0.532
2,000	0.046	0.037	0.034	0.032	0.028	0.023	0.018	0.515	0.520	0.522	0.523	0.525	0.528	0.530
2,500	0.054	0.044	0.040	0.038	0.033	0.028	0.021	0.511	0.516	0.518	0.519	0.522	0.525	0.529
3,000	0.062	0.050	0.046	0.043	0.038	0.032	0.024	0.507	0.513	0.515	0.517	0.519	0.523	0.527
3,500	0.069	0.056	0.052	0.048	0.043	0.036	0.027	0.503	0.510	0.512	0.514	0.517	0.521	0.525
4,000	0.075	0.062	0.057	0.053	0.047	0.040	0.030	0.500	0.507	0.509	0.511	0.515	0.518	0.524
4,500	0.081	0.067	0.062	0.057	0.051	0.043	0.033	0.496	0.504	0.507	0.509	0.512	0.517	0.522
5,000	0.087	0.072	0.066	0.062	0.055	0.046	0.036	0.493	0.501	0.504	0.507	0.510	0.515	0.521

Deductible Amount	F: Loss and Expense Ratios [(E+C)xB]							G: Deductible Credits [1-F]						
	Hazard Groups							Hazard Groups						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G
1,000	0.984	0.988	0.989	0.989	0.990	0.992	0.995	0.016	0.012	0.011	0.011	0.010	0.008	0.005
1,500	0.979	0.983	0.984	0.986	0.987	0.989	0.991	0.021	0.017	0.016	0.014	0.013	0.011	0.009
2,000	0.973	0.979	0.981	0.982	0.984	0.987	0.989	0.027	0.021	0.019	0.018	0.016	0.013	0.011
2,500	0.969	0.974	0.977	0.978	0.981	0.984	0.988	0.031	0.026	0.023	0.022	0.019	0.016	0.012
3,000	0.965	0.971	0.973	0.975	0.978	0.982	0.986	0.035	0.029	0.027	0.025	0.022	0.018	0.014
3,500	0.961	0.968	0.970	0.972	0.975	0.980	0.984	0.039	0.032	0.030	0.028	0.025	0.020	0.016
4,000	0.957	0.965	0.967	0.969	0.973	0.977	0.983	0.043	0.035	0.033	0.031	0.027	0.023	0.017
4,500	0.953	0.962	0.965	0.967	0.970	0.975	0.981	0.047	0.038	0.035	0.033	0.030	0.025	0.019
5,000	0.950	0.959	0.962	0.965	0.968	0.973	0.980	0.050	0.041	0.038	0.035	0.032	0.027	0.020

Notes: (a) Based on NCCI advisory loss elimination ratios.

## REDLAND INSURANCE COMPANY

## WORKSHEET

## SUMMARY OF DEVELOPMENT OF RETROSPECTIVE RATING VALUES

State

ARKANSAS

Effective date

September 15, 2008

1: Hazard Group Differentials	Current NCCI Advisory Values	
2: Tax multipliers	(a) Provision in loss cost filing for taxes	5.5%
	(b) Provision for residual market subsidy	0.0%
	(c) Miscellaneous taxes, assessments	0.0%
	(d) Total	5.5%
	(e) State Tax Multiplier $[1 / (1 - (d))]$	1.058
	(f) Factor for Federal Assessments	1.074
	(g) Federal Tax Multiplier	1.136
3: Expected Loss Ratio	(a) Loss Cost multiplier in loss cost filing	1.400
	(b) Factor to remove LAE	1.128
	(c) Management Adjustment Factor	0.855
	(d) Expected Loss Ratio $[(c) / ((a) \times (b))]$	0.540
Expected Loss and ALAE Ratio	(d) Redland's Factor to include ALAE	1.070
	(e) Expected Loss and ALAE Ratio $[(c) \times (d)]$	0.580
4: Table of Expense Ratios	Selected based on Redland's filed discounts and expense loads.	
5: Table of Expected Loss Ranges	Current NCCI Table	
6: Excess Loss factors	NCCI advisory pure premium factors multiplied by Redland's expected loss (or loss and ALAE) ratio.	
7: Retrospective Pure Premium Development Factors	Current NCCI Advisory Values multiplied by Redland's expected loss ratio.	
8: State Special Classifications by Hazard Group.	Current NCCI Advisory Values	
Print date:	6-Aug-08	

**EXPERIENCE FROM TARGET PROGRAM PREVIOUSLY  
WRITTEN BY CAPITAL CITY INSURANCE COMPANY**

<u>Accident Year</u>	<u>Ultimate Earned Premium (a)</u>	<u>Reported Losses (a)</u>	<u>Loss Development Factor (b)</u>	<u>Ultimate Losses (3) x (4)</u>	<u>Loss Ratio (4) / (3)</u>
(1)	(2)	(3)	(4)	(5)	(6)
1999	18,429,915	15,555,275	1.000	15,555,275	84.40%
2000	15,856,698	15,889,085	1.054	16,747,729	105.62%
2001	14,156,752	7,930,795	1.116	8,854,625	62.55%
2002	13,814,195	7,550,243	1.128	8,520,308	61.68%
2003	14,448,396	6,585,705	1.145	7,540,344	52.19%
2004	16,081,259	6,205,225	1.170	7,259,517	45.14%
2005	17,713,861	8,210,941	1.213	9,961,229	56.23%
2006	16,678,485	7,791,588	1.302	10,141,308	60.80%
2007	16,443,306	5,860,295	1.584	9,284,010	56.46%
Projected Loss Ratio					58.0%
LAE Load					1.18
Projected Loss and LAE Ratio					68.0%

Notes: (a) Data provided by management based on program previously written by Capital Cities. Data valued as of 6/30/2008.  
(b) From NCCI Statistical Bulletin, 2007 Edition, Countrywide Factors.





**PRAETORIAN**  
*insurance company*

May 18, 2007

To Whom It May Concern:

Madison Consulting Group, Inc. is authorized to make filings on behalf of Praetorian Financial Group. This includes Praetorian Insurance Company, NAIC number 37257 and Redland Insurance Company, NAIC number 37303.

Sincerely,

Ming-I Huang  
Chief Risk Officer

**Praetorian Financial Group**  
7 Times Square, 37th floor  
New York, NY 10036  
T: (212) 805-9700  
F: (212) 805-9800  
[www.praetorianfinancial.com](http://www.praetorianfinancial.com)